

FlashPoint Research Report

A Quick Response Study from CompassPoint Nonprofit Services

November 2001

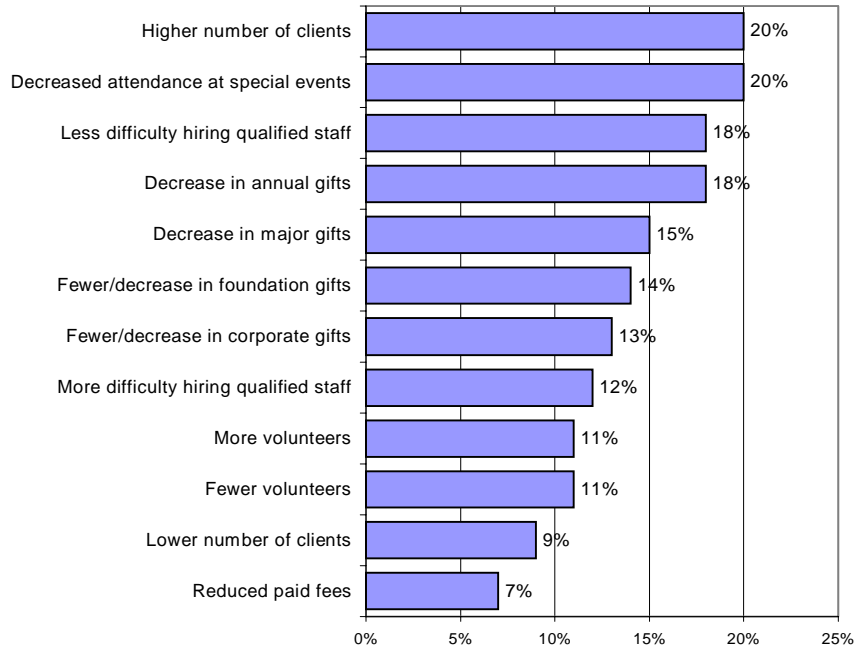
Bay Area Nonprofits Respond to Economic Downturn

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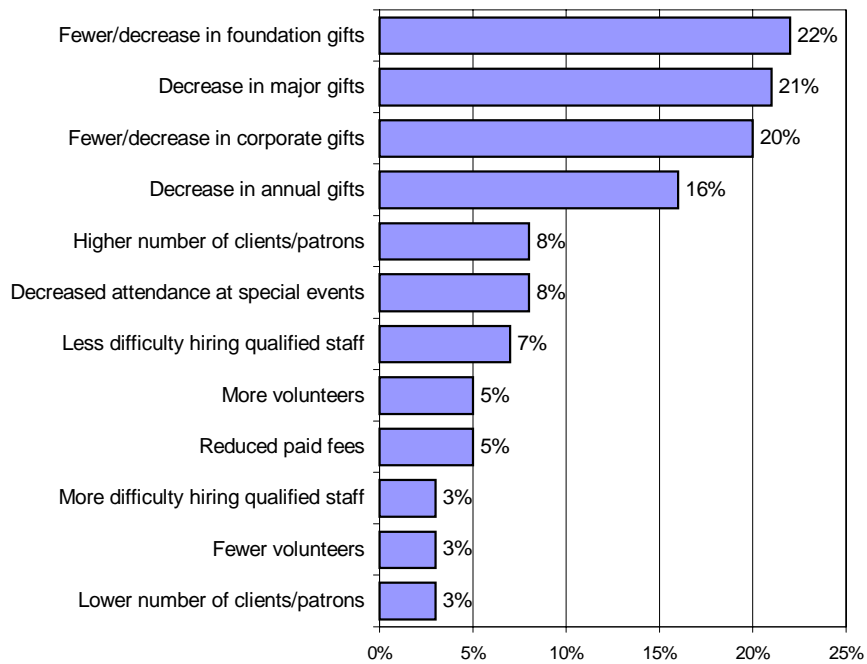
To learn more about how nonprofits are experiencing and responding to the economic downturn, CompassPoint surveyed 198 participants in workshops and the Finance & Accountability Conference over a three-week period. Key findings:

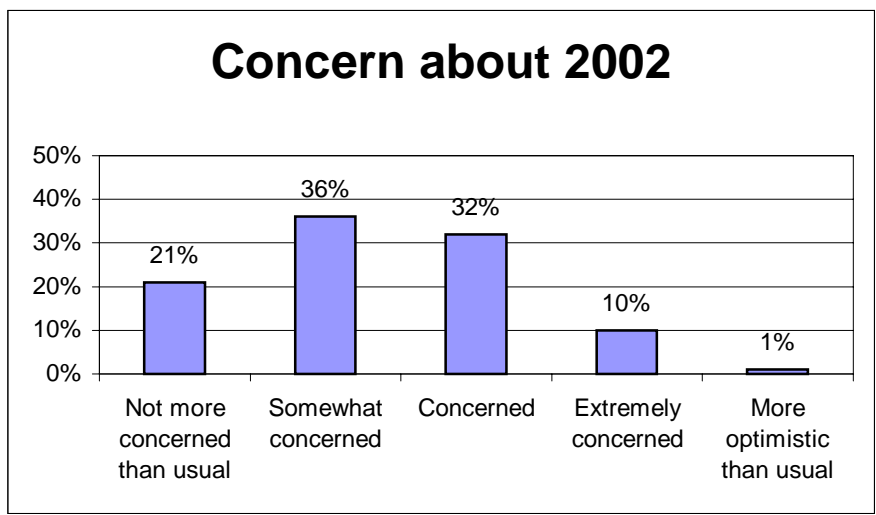
- Although seventy-eight percent (78%) of nonprofits expressed increased concern that 2002 will be a difficult financial year, few see themselves as immediately at-risk. Most nonprofits appear to be taking a “wait and see” approach before taking action.
- Seventy-three percent (73%) have felt one or more negative impacts already, with the most frequently identified being “higher number of clients,” “decreased attendance at special events,” and “decrease in annual gifts.”
- ***Despite 73% of nonprofits having already felt negative impacts, and 78% expressing increased concern about 2002, only fifty-nine percent (59%) have taken one or more steps in response.***
- Fifty-nine percent (59%) have already taken some steps in response to the economic downturn, with the most frequent actions being “actively scale back expenses,” “change fundraising strategy,” and “hiring freeze.”
- The most frequently identified negative impacts anticipated in 2002 were “decrease in foundation gifts,” “decrease in corporate gifts,” and “decrease in major individual gifts.” This reflects—although to a lesser degree than evidence suggests will be true—the media reportage on the dramatic drop in the value of foundation assets, which leads directly to reduced amounts of funds given out.

Impacts Experiencing Already

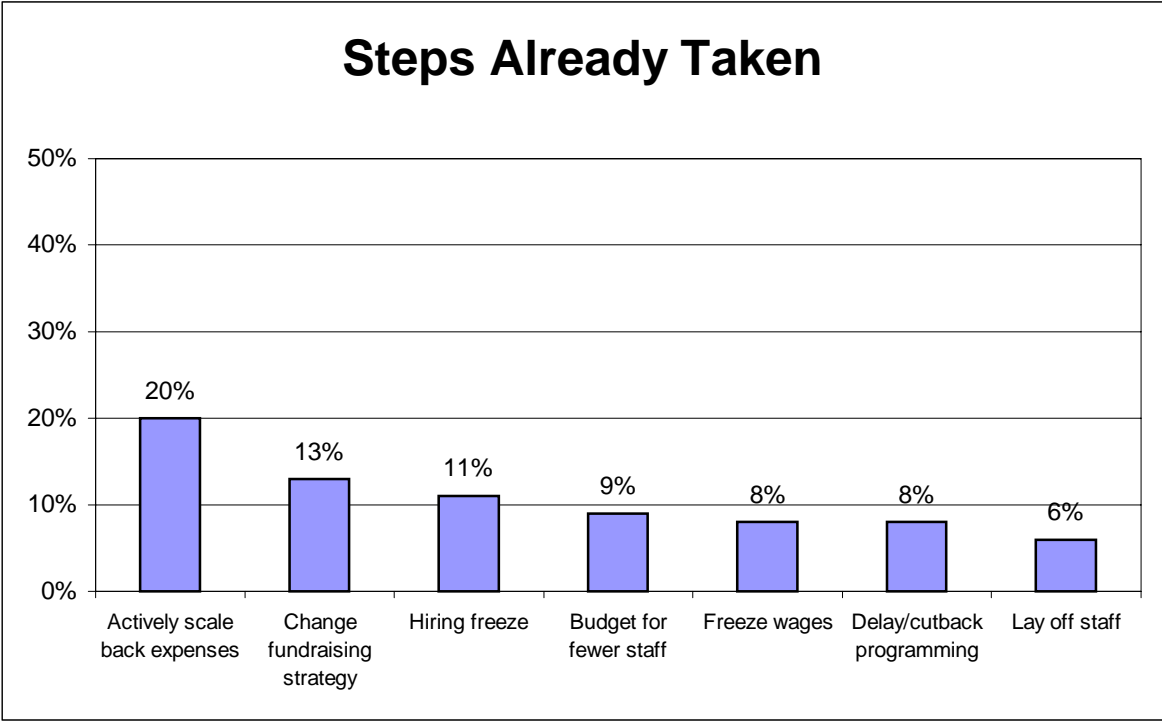


Impacts Anticipated Next Year

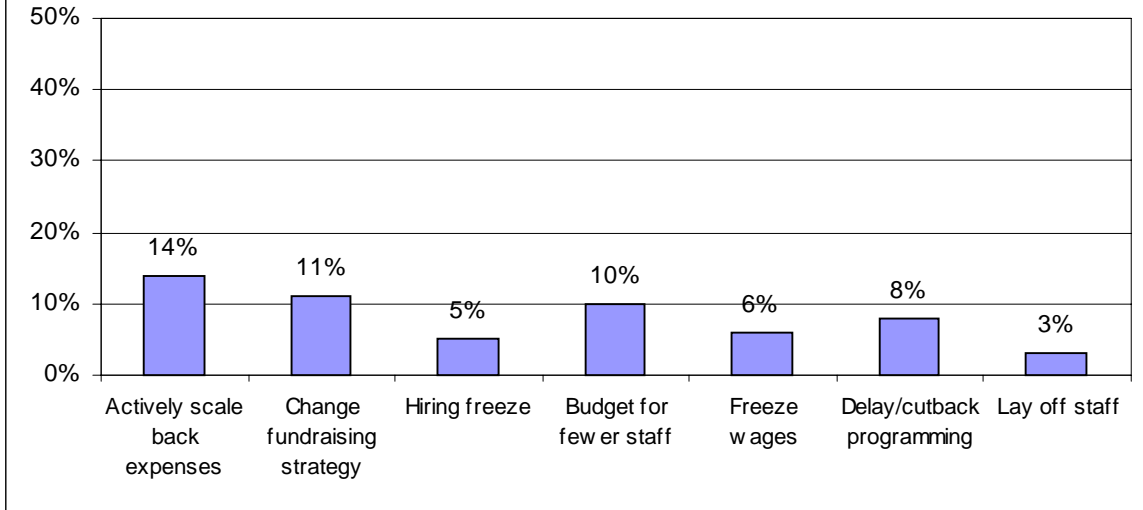




Seventy-eight percent (78%) are somewhat concerned, concerned, or extremely concerned. Twenty-one percent (21%) are not more concerned than usual, and one percent (1%) are more optimistic than usual.



Steps Planned to Take in 2002



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CompassPoint Nonprofit Services is a leading management consulting and training firm for nonprofits. Each year CompassPoint consults to more than 300 nonprofits, conducts and publishes research studies, publishes *Food for Thought* and *Board Café*, offers workshops & seminars, and works with collaborative ventures linking nonprofits, government, and private philanthropy. The organization maintains offices in San Francisco and San José.

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